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Ontario Energy Board

3
ANNUAL REPORT

Fiscal Year Ended March 31, 1980

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ANNUAL REPORT

Fiscal Year Ended March 31, 1980





Ministry of
Energy

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Queen's Park

Toronto Ontario

April 10, 1980

TO THE HONOURABLE PAULINE M. MCGIBBON
O.C., B.A., LL.D., D.U. (OTT)

Lieutenant-Governor of the Province of Ontario

MAY IT PLEASE YOUR HONOUR:

I take pleasure in submitting the Twentieth
Annual Report for the Ontario Energy Board
for the fiscal year ended March 31, 1980.

Respectfully submitted

Robert Welch
Robert Welch
Minister of Energy



Ontario
Energy
Board

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March 31, 1980

Honourable Robert Welch, Q.C.
Minister of Energy
Queen's Park
Toronto, Ontario
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Dear Mr. Welch:

I have the honour to present herewith the
Annual Report of the Ontario Energy Board for the
fiscal year ended March 31, 1980.

Respectfully submitted,

Robert H. Clendining
Chairman

TWENTIETH ANNUAL REPORT

OF THE

ONTARIO ENERGY BOARD

Fiscal Year Ended March 31, 1980

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ONTARIO ENERGY BOARD

ANNUAL REPORT

Fiscal Year Ended March 31, 1980

INTRODUCTION

Role of the Board

The Ontario Energy Board was established in 1960 as the successor to the Ontario Fuel Board. It reports annually to the Minister of Energy. Pursuant to the Ontario Energy Board Act (the "Act"), The Municipal Franchises Act and The Petroleum Resources Act, the Board regulates rates and other matters relating to the operations of provincial natural gas utilities as well as certain aspects of the oil and gas industry. The Board bases its regulatory decisions on the evidence presented by the parties at a public hearing and on information within its specialized knowledge of which it may take notice.

Upon reference being made to it, the Board also has an advisory function to the Minister of Energy on Ontario Hydro's bulk power rates and rate-related matters, to the Lieutenant Governor in Council on any question respecting energy, and to the Minister of Natural Resources on certain matters relating to oil and gas production.

Major Activities of the Board

[The principal matters dealt with during the fiscal year ended March 31, 1980 were the rate-related proceedings of Ontario Hydro, including the conclusion of the costing and pricing hearing which commenced in 1977, and the rate proceedings of the natural gas distributors: The Consumers' Gas Company ("Consumers'"), Union Gas Limited ("Union"), Northern and Central Gas Corporation Limited ("Northern and Central"), Inter-City Gas Limited ("Inter-City") and Natural Resource Gas Limited. The Board sat for a total of 115 days during the fiscal year on these and other matters.]

[The major gas rate applications resulted from the continued escalation of all costs and in particular the cost of gas supply and its distribution in Ontario. The Federal Government increased the Toronto city-gate price of natural gas (the price at which TransCanada PipeLines Limited ("TransCanada") delivers gas to southwestern and eastern Ontario) from \$2.00 per standard thousand cubic feet ("Mcf") to \$2.15 per Mcf on August 1, 1979 and to \$2.30 per Mcf on February 1, 1980.]

[The Board completed the Phase I (rate base, return thereon and reasonable return) portion of Consumers' application from the previous year. The phasing of rate hearings is described on page 6 of this Annual Report. Phase I proceedings for Union and Phase II (rate design)

proceedings for Consumers' and Northern and Central were pending at the end of the fiscal year. As part of the rate proceedings of these utilities, the Board dealt with applications for interim relief. In addition, interim rate relief was granted to Inter-City Gas Limited.]

[The Ontario Hydro costing and pricing proceeding was completed with the Board's report of December 20, 1979. The Board also reported to the Minister on the separate matter of the increased bulk power rates proposed by Ontario Hydro for the calendar year 1980.]

[The conversion of Union's gas rates into metric units ("SI") was completed during the fiscal year. It is expected that the conversion process for the other gas utilities will be completed during 1980.]

[The Board is continuing to examine its pre-hearing and hearing process with a view to streamlining it, and has already initiated some procedures to this end.]

[The Board initiated an interministerial committee to review and revise its "Environmental, Agricultural and Resource Guidelines for the Construction and Operation of Pipelines in the Province of Ontario". The Committee also reviews applications to the Board and to the National Energy Board in the context of pipeline construction and land restoration measures in Ontario.]

The Municipal Franchises Amendment Act, S.O. 1979, c. 83 was enacted during the fiscal year. It clarifies that a Board order under s. 10 of that Act renewing or extending the term of a municipal gas distribution franchise is deemed to be a valid by-law of the municipality for the purposes of that Act.

COMPOSITION OF THE BOARD

At the end of March 1980, the Board consisted of eight full-time Members and one part-time Member, namely:

R. H. Clendining, P.Eng.	- Chairman
S. J. Wychowane, Q.C.	- Vice Chairman
I. C. MacNabb, P.Eng.	- Vice Chairman
H. R. Chatterton, B.Comm.	- Member
J. C. Butler, P.Eng.	- Member
J. R. Dunn, P.Eng.	- Member
D. M. Treadgold, Q.C.	- Member
I. B. MacOdrum, LL.B.	- Member
L. Waverman, Ph.D.	- Part-time Member

Dr. W. W. Stevenson, formerly a Member of the Board who was appointed to the Royal Commission on Electric Power Planning during the 1977-78 fiscal year, was appointed Executive Coordinator of the Strategic Planning and Analysis Group at the Ministry of Energy following the completion of the Commission proceedings in December of 1979.

Principal staff of the Board were:

Director of Operations	- D. D. McLean
Board Secretary	- S.A.C. Thomas
Energy Returns Officer and Manager, Financial Analysis	- O. J. Cook
Board Solicitor	- L. Grahlm
Special Projects Officer	- D. R. Cochran
Manager, Engineering	- C. J. Mackie
Board Engineer	- H. Strozyk
Financial Analyst	- A. Meddows-Taylor
Financial Analyst	- A. M. Parekh
Financial Analyst	- R. Cappadocia
Economist	- M. F. Rodrigues

SUMMARY OF PROCEEDINGS BEFORE THE BOARD

During the fiscal year, 88 proceedings were commenced before the Board: 79 by application, 2 by ministerial reference, and 7 by letter of request.

A classification of the proceedings completed is as follows:

Under The Ontario Energy Board Act

	<u>Number</u>
Rates and other charges for gas	21
Gas storage	5
Leave to construct pipelines	2
Acquisitions	1
References by Ministers	4
Miscellaneous	9

Under The Municipal Franchises Act

Gas franchises	39
Certificates	2
TOTAL	<u>83</u>

In certain instances hearings were held at locations outside Toronto convenient to interested parties: namely, Mississauga, Sarnia and Rodney.

NATURAL GAS

Rates

The Board has been dealing with the main rate applications of the major gas distributors in two phases. In Phase I the Board determines rate base, actual return on rate base and reasonable return on rate base. Rate base represents the investment which the distributor has made in facilities which are used in its utility business. In Phase II the Board determines the actual rates (or price at which gas is sold to the various customer classes) necessary to permit the distributor to earn the reasonable return on rate base.

What follows is a brief description of the rate cases completed by the Board during the fiscal year.

1. The Consumers' Gas Company

(a) Phase I Proceedings

[In August 1979, the Board rendered its decision on the Phase I portion of Consumers' main application filed in the previous fiscal year.]

[The rate base was determined to be \$810,678,800 as at September 30, 1979, Consumers' fiscal year end, and the reasonable rate of return 10.34%, calculated as follows:

<u>Capital Component</u>	<u>Percentage</u>	<u>Cost Rate</u>	<u>Return Component</u>
Long-term debt	49.5	9.28%	4.59%
Preference stock	12.8	6.52%	0.84%
Deferred taxes	3.0	1.83%	0.05%
Common equity	34.7	14.00%	4.86%
	<u>100.0%</u>		<u>10.34%</u>

The Board determined a revenue deficiency of \$15,565,000 on the basis of Consumers' budgeted figures for the fiscal year, as adjusted. ("Revenue deficiency" is the amount required to increase the return of the utility to that found reasonable by the Board.)]

In order to monitor Consumers' marketing policy, the Board ordered the Company to submit for consideration in Phase II a proposal for monitoring the return and net present value on new sales resulting from system expansion commencing with the Company's fiscal 1979.]

Among other matters, the Board also ordered Consumers' to defer any higher unit gas costs resulting from reduced volumes taken from TransCanada in any fiscal year and to amortize such costs over the following three fiscal years, and to file in Phase II a specific proposal as to the mechanics of amortizing such costs.

At the end of the Phase I hearing a motion by Board counsel was heard requesting the Board to order a study by an independent expert to develop a capital structure for Consumers' Ontario utility operations. The Board ruled that a preliminary review of such study be filed within three months. The requested review was filed and, in October 1979, the Board directed that the study be completed as soon as possible.

(b) Interim Proceedings

Effective October 1, 1979, Consumers' was granted interim rate increases ranging from 1.2¢ per Mcf to 13.8¢ per Mcf to recover the revenue deficiency of

\$15,565,000 found in Phase I. The Board stated that in normal circumstances the levels of over- and under-contribution by customer classes should not be in issue during an interim proceeding except in the event of a considerable time lapse since the previous Phase II or a major or unexpected change in circumstances.

Accordingly, the rate increases to the various customer classes were based on the cost allocation study tested in the previous Phase II, and on Consumers' sales volumes for its fiscal 1980.

During the fiscal year Consumers' was also granted the following interim rate increases to pass on the effect of the previously noted gas cost increases from TransCanada:

<u>Amount</u>	<u>Effective Date</u>
13.99¢ per Mcf	September 1, 1979
15.224¢ per Mcf	April 4, 1980

(c) Phase II Proceedings

Consumers' Phase II application of November 1979 was heard in January 1980 and the Board's decision was pending at the end of the fiscal year.

2. Union Gas Limited

(a) Phase I Proceedings

[The hearing of Union's Phase I application of March 1979, including argument, was completed in December and the Board's decision was pending at the end of the fiscal year.]

(b) Interim Proceedings

[Effective January 1, 1980, Union was granted interim rate increases to recover \$14,186,000 of a claimed \$31,428,000 revenue deficiency due to increases in distribution costs. The Board accepted Union's proposal as to the method of recovery although it was not based on the cost allocation study tested in the previous Phase II. The Board stated that it was doing so because an extreme imbalance between revenues and allocated costs by customer class had occurred. In the result, recovery of the interim deficiency was entirely from Union's residential, general service and storage customers. This decision in effect refined the principle referred to in the Consumers' interim deficiency decision reported on pages 8-9 of this Annual Report.]

[During the fiscal year Union was also granted the following interim rate relief to pass on the effect of gas cost increases from TransCanada and its other suppliers:

- (i) An increase of 15.17¢ per Mcf to residential and other fixed rate customers, effective November 21, 1979. Other customers' rates were increased by similar amounts, effective September 1, 1979; and
- (ii) An increase of 15.65¢ per Mcf to residential and other fixed rate customers, effective March 19, 1980. Other customers' rates were increased by similar amounts, effective March 1, 1980.

As indicated earlier, the conversion of Union's rates into metric units ("SI") was accomplished during the year. It did not result in higher bills to Union's customers. Commencing September 1, 1979, the Board permitted billing in SI. Billing under some of the contract rate schedules is to become effective upon renewal of the contract, but not later than August 31, 1981. The rate increases granted to Union referred to in this Annual Report have been converted to the former Imperial units for ease of comparison as the rate schedules of the other gas utilities have not yet been converted to SI. 7

3. Northern and Central Gas Corporation Limited

(a) Phase I Proceedings

In the Board's Annual Report for fiscal 1978-79 it was mentioned that one of the intervenors in Phase I, representing 40 municipalities in Northern and Central's service area, had petitioned the Lieutenant Governor in Council requesting that costs be awarded to it and to the Industrial Gas Users Association, another intervenor. By Order-in-Council O.C. 1203/79 dated April 25, 1979, the Board's decision refusing costs was confirmed.

(b) Phase II Proceedings

In a decision dated April 27, 1979, the Board refused a motion by Northern and Central for certain directions in regard to studies which were to be filed for Phase II of its main application. In the special circumstances of the case the Board awarded costs of the motion to intervenors.

The hearing of Phase II commenced in March 1980 and was not completed by the end of the Board's fiscal year.

(c) Interim Proceedings

During the fiscal year Northern and Central was granted the following interim rate relief to pass on the effect of gas cost increases from TransCanada:

(i) Increases ranging from 11.178¢ per Mcf to 16.975¢ per Mcf, effective August 1, 1979; and

(ii) Increases ranging from 14.284¢ per Mcf to 14.942¢ per Mcf, effective February 1, 1980 for interruptible service and February 13, 1980 for firm service.

4. Others

(a) Inter-City was granted the following interim rate relief to pass on the effect of gas cost increases from its supplier, ICG Transmission Limited, which in turn receives its gas from TransCanada:

<u>Amount</u>	<u>Effective Date</u>
14.43¢ per Mcf	November 1, 1979
12.69¢ per Mcf	March 1, 1980

Inter-City was also granted temporary winter service rates for Boise Cascade Canada Limited for the 1978-79 and 1979-80 winters.

(b) Four Seventy Dundas Limited (now Natural Resource Gas Limited; see Acquisitions section of this Annual Report) was granted initial rates and other charges effective on bills rendered after September 18, 1979. The rates and other charges approved were

identical to those previously applicable to The Medina Natural Gas Company, Limited.

(c) The Board also extended the existing interim rates of Tecumseh Gas Storage Limited and of the joint venture of Union and Imperial Oil Limited relating to the Bickford and Sombra gas storage pools, for a period of not more than one year.

Accounting Orders

Early in the fiscal year the Board extended the accounting order permitting Union to defer in a special inventory account the cost of synthetic natural gas ("SNG") purchased from Petrosar Limited, together with carrying charges. The extension was granted to November 1, 1979, the expiry date of a new agreement whereby Union proposed to sell the SNG to Northern Natural Gas Company of Omaha ("Northern"). The agreement was subsequently extended on several occasions and the Board granted two further extensions of the accounting order, most recently to June 30, 1980.

On January 15, 1980, the Economic Regulatory Administration ("ERA") of the United States Department of Energy had authorized Northern, subject to condition, to import the gas in question at the then prevailing export price. However, the transaction failed to receive renewed ERA approval when the Canadian Government

increased the export price to \$4.47 (U.S.) per million British Thermal Units on February 17, 1980, and the agreement between Union and Northern expired on March 15, 1980.

During the fiscal year the Board also granted approval to Union, Northern and Central and Consumers' to make certain changes to their minimum rule and plant units for accounting purposes.

Unitization

By order made in December 1979, the Board unitized the various interests within the Aldborough Pool consisting of 900 acres located in the Township of Aldborough, County of Elgin, for the purpose of drilling or operating gas wells and the apportioning of costs and benefits. Clifford B. Coates, the applicant and owner of the majority of the working interests, was designated manager of the unit operation. The order is not to come into effect until a working interest agreement between the applicant and Consumers' is filed with the Board. Such an agreement had not been filed by the end of the fiscal year.

The Board ruled that the applicant should pay a royalty of 5% of the wellhead value of all gas sold from the Pool up to a total of \$50,000 in gross revenues in a particular calendar year, and 15% on the balance of the gross revenues.

Gas Storage

During the fiscal year the Board approved the parties, term and storage of a short-term agreement whereby Union would store additional gas for Consumers'. The agreement is on a best efforts basis and expired on March 31, 1980. The Board also permitted variation of the term and storage of an existing agreement between Union and Gaz Metropolitain, inc. of Montreal. The definite term of the agreement was extended to April 1, 1985, and the maximum storage balance to 170 000 10³ cubic meters.

As well, the Board permitted conversion into metric units ("SI") of the gas measurements under storage agreements between Union on the one hand and Consumers', Northern and Central, the Public Utilities Commission of the City of Kingston and Gaz Metropolitain, inc. on the other hand.

Drilling

The Minister of Natural Resources referred to the Board for report applications by Tecumseh Gas Storage Limited for permits to drill two wells in the Wilkesport Storage Pool and two wells in the Kimball-Colinville Storage Pool, located respectively in the Townships of

Sombra and Moore, County of Lambton. The Board did not consider that there were special circumstances associated with these matters which would necessitate public hearings and recommended to the Minister that the applications should be granted.

Pipelines

In June 1979, the Board granted Consumers' leave to construct an 8-inch transmission line extension from the City of Pembroke some 13 miles to the Canadian Forces Base Petawawa. The construction was completed in September 1979 and the pipeline is in operation.

Exemptions

Union was granted an exemption under s. 38(3) of the Act for the construction of 6.7 miles of 8-inch transmission line from a proposed Consumers' gas plant near the Village of Morpeth to an existing Union line near the Town of Ridgetown. The construction was completed in October 1979 but the pipeline was not yet in operation at the end of the Board's fiscal year.

Franchises and Certificates

A municipal franchise and the approval of the Board in the form of a certificate of public convenience and necessity are required in order to construct and operate a gas distribution system in a municipality. Prior to a franchise by-law being enacted by the municipality, its terms and conditions and period must be approved by the Board and the by-law must receive either the assent of the municipal electors or dispensation of such assent by the Board. The Board normally approves a franchise period of 20 to 30 years whereas certificates are for an indefinite period.

During the fiscal year the Board approved 37 proposed franchises and extended 1 other, for the following distributors and municipalities:

Consumers' - the Cities of Niagara Falls and

Peterborough, the Town of Midland, the Village of Victoria Harbour, the Townships of Alice and Fraser, Bromley, Flos, North Monaghan, Otonabee, Smith, Wainfleet and West Gwillimbury, the Regional Municipality of Niagara.

Union - the Towns of Oakville and Ridgetown, the Township of Brooke (for the Police Village of Inwood).

Northern and Central - the Cities of North Bay, Sudbury and Timmins, the Towns of Cobalt, Cochrane, Espanola, Haileybury, Hearst, Iroquois Falls, Kapuskasing, Kirkland Lake, Napanee, New Liskeard, Smooth Rock Falls and Sturgeon Falls, the Villages of Brighton, Burk's Falls, Colborne and Winchester, the Townships of Black River-Matheson and Ignace, the Regional Municipality of Sudbury.

In the case of the Town of Espanola the Board also granted a certificate to the distributor, Northern and Central. In the other cases, except for the Village of Burk's Falls where the certificate application was pending at the end of the fiscal year, the distributor already held a certificate in the municipality.

In each case except that involving the City of Peterborough, upon the request of the municipality and in the circumstances of the case, the Board declared and directed that the assent of the municipal electors to the proposed franchise was not necessary. In the case of the City of Peterborough the Board extended the existing franchise, under s. 10 of The Municipal Franchises Act, and neither assent of the electors nor dispensation thereof is therefore necessary. The City of Peterborough has appealed the Board's order to the Divisional Court.

In four of the cases, namely those involving the Cities of Niagara Falls, Peterborough and Timmins and the Town of Midland, the major issue was the indemnity clause contained in the proposed franchise agreement. The Board confirmed the ruling it had made in the Township of Moore case in the previous fiscal year that a distributor should not be liable for the negligence of any party other than its own officers, servants and agents. In the City of Niagara Falls' case the Board stated that the ruling followed from its belief that, in general, the public interest requires that the costs of operation of a gas system should be kept as low as possible. In the City of Peterborough case the Board, as it had in the Township of Moore case, also rejected the proposal that a distributor should pay a franchise fee to the municipality.

Acquisitions

1. Natural Resource Gas Limited

The Medina Natural Gas Company, Limited ("Medina") experienced financial difficulties and, in August 1979, went into receivership. The receiver subsequently entered into a provisional agreement to sell Medina's gas distribution system to Four Seventy Dundas Limited of London, Ontario, and requested the Lieutenant Governor in Council to make a regulation exempting the transaction

from s. 26 of the Act. At the request of the Minister, the Board reviewed the matter and provided a report to the Lieutenant Governor in Council. By Ontario Regulation 668/79 filed September 18 the requested exemption was granted.

The new gas distributor has changed its name to Natural Resource Gas Limited and continues to service the area in and around Aylmer formerly serviced by Medina.

2. Inter-City Gas Limited

In March 1980, the Board submitted its report and opinion to the Lieutenant Governor in Council on the application of Inter-City under s. 26 of the Act for leave to amalgamate with Canadian Homestead Oils Limited and for leave in respect of related matters.

By Order-in-Council O.C. 833/80 dated March 28, 1980, the leave requested was granted subject to the amalgamation receiving the approval of the shareholders of the two companies and being carried out in accordance with the amalgamation agreement. Shareholder approval was received on the same day.

ONTARIO HYDRO

Bulk Power Rates

In May 1979, the Minister of Energy referred to the Board for investigation and report Ontario Hydro's proposed bulk power rates for 1980. Ontario Hydro proposed an average increase of 9.9% for the municipal utilities and 7.8% for direct industrial customers.

The Minister requested that the Board report on the extent to which Ontario Hydro has kept its proposed 1980 bulk power cost increase as low as possible consistent with the maintenance of its financial soundness. The Board was also requested to examine the allocation of costs to the municipal utilities, the financial effects of Ontario Hydro's surplus generating capacity, future export sales strategy and Ontario Hydro's foreign exchange management strategy.

The public hearing concluded on July 27 after 14 hearing days. There were 17 intervenors whose degree of participation in the proceeding varied.

In its report of August 30, 1979, the Board recommended a reduction of over \$24 million from Ontario Hydro's forecasted total revenue requirement of \$2,315 million, thereby decreasing the average bulk power rate increase of 9.5% proposed by Ontario Hydro to 8.3%.

As well, the Board recommended that the differential in rate increases to the municipal utilities and direct industrial customers be diminished.

On January 1, 1980, Ontario Hydro increased its bulk power rates by an average of 8.3%, which was the figure recommended by the Board.

Among the many other specific recommendations in the Board's report, the following were included:

- (a) Ontario Hydro's debt/equity ratio and interest coverage should not be permitted to slip, in 1980, below the levels forecasted for 1979.
- (b) The amount that Ontario Hydro is permitted to borrow relative to what it collects from customers is a matter on which the Government should give policy direction.
- (c) Short-term export sales even at somewhat lower prices should be preferred to long-term export sales that might lead to insufficient reserve capacity for future Ontario requirements.
- (d) Ontario Hydro should examine the economics of devoting more resources to its foreign exchange management program.

Costing and Pricing Principles

The public hearing on the principles of electricity costing and rate making appropriate for Ontario Hydro was concluded on June 1, 1979 after 135 sitting days and more than 20,000 pages of transcript since its commencement in March 1977.

The Board submitted its final report to the Minister of Energy in December 1979, concluding that the following objectives for the pricing of electricity should be adopted:

- (a) Rates should be sufficient to recover Ontario Hydro's revenue requirement as currently determined in the annual bulk power rate hearings.
- (b) Rates should be fair, broadly defined as the equal treatment of those causing equal costs. The fairness objective requires that costs be tracked by rates, undue discrimination avoided, and all consumption regarded as new consumption.
- (c) Efficient allocation and use of resources in producing and distributing electricity (engineering efficiency) should be encouraged.

Economic efficiency, however, is not a measurable, achievable, or valid goal for Ontario Hydro. ("Economic efficiency" was defined as the allocation of society's scarce resources to maximize the satisfaction of consumers.)

- (d) Rate structures should be publicly acceptable and comprehensible, should provide rate stability, and should be feasible in application.

The Board also concluded that the concept of time-differentiated rates is consistent with the fairness objective and recommended that seasonal and daily rating periods be established at the bulk power level and, after further research, at the end-user level.

The Board rejected Ontario Hydro's proposal for marginal-cost-based pricing because of major problems of definition, determination and implementation, and recommended the continued use of accounting costs as the basis for costing and pricing.

Lack of comprehensive data on customer response and impact in the evidence meant that the significant effects of costing and pricing changes could not be identified. Consequently, the Board recommended that Ontario Hydro improve its data bank and develop adequate demand models,

compare the cost effectiveness of time-differentiated rates and other load management techniques for smaller end-users, begin selective rate experiments for all customer groups in the rural retail system and for municipal utilities, and prepare and discuss specific rate proposals with its bulk power customers.

The Board recommended the continuation of a single customer class at the bulk power level, but one consisting of the municipal utilities, the present direct industrial customers, and the rural retail system as a notional customer. The Board concluded that the problem of allocating diversity benefits would diminish if both energy- and demand-related costs were time-differentiated and a single customer class adopted.

The Board made several detailed recommendations on such matters as metering, rating periods and the interval of time used for determining demand charges. The Board cautioned against the introduction of any form of non-cost-based rates for purposes of income redistribution.

However desirable the universal application of new rate structures through to the end-user level may be, implementation may not yet be cost-effective or appropriate because, the Board observed, an important policy decision involving the statutory function of Ontario Hydro to regulate rates charged at the end-user level and

the need to respect municipal autonomy will be required. The Board also indicated the need for an appeal process for municipal utilities and end-users who wish to have an independent arbiter examine proposed rates, and better representation for end-users at public hearings before the Ontario Energy Board and during discussions with Ontario Hydro.

Costs were awarded to intervenors seeking them who had made a contribution to the proceeding.

COST OF ADMINISTRATION

The Board's total expenditures for the fiscal year are estimated at \$1,296,100 of which \$862,119 was recovered from applicants by way of fees and costs and paid into the Consolidated Revenue Fund. \$432,634 of the \$862,119 recovered resulted from the Ontario Hydro costing and pricing hearing and covered a 2-year period.

* * *



